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November 5, 2010

VIA ELECTRONIC MAIL

The Honorable Paul A. Crotty
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007-1312

SO ORDERED: 10 NOV 2010

Paul A. Crotty
HON. PAUL A. CROTTY
UNITED STATES DISTRICT JUDGE

Re: *Syncora Guarantee, Inc. v. EMC Mortgage Corporation*
No. CV-09-~~3016~~ (PAC)

Dear Judge Crotty:

We are co-counsel to Defendant EMC Mortgage Corporation ("EMC") in this action. We write with respect to EMC's Opposition to Syncora Guarantee, Inc.'s ("Syncora") Motion for Partial Summary Judgment dated July 26, 2010 (DE 43-45). We recently discovered that the incorrect document was inadvertently included as Exhibit G to the Declaration of John M. Callagy in Opposition to Plaintiff's Motion for Partial Summary Judgment and Motion in Limine (DE 45-7), and wish to correct the filing.

Paragraph 12 of Mr. Callagy's Declaration should read: "Attached as Exhibit G hereto is a true and correct copy of a Press Release dated July 20, 2010, entitled 'Syncora Completes Remediation Plan,' available from www.syncora.com." Enclosed please find a true and correct copy of the corrected Exhibit G to Mr. Callagy's Declaration. If the Court so desires, we can submit a full set of the corrected papers immediately.

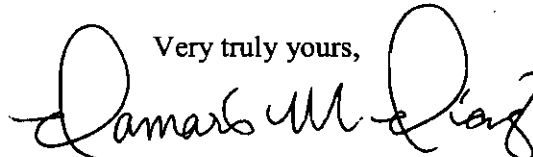
We also request leave to correct the Docket and re-file the corrected Exhibit G electronically.

MEMO ENDORSED

KELLEY DRYE & WARREN LLP

The Honorable Paul A. Crotty
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We apologize for any confusion this may have caused.

Very truly yours,

Damaris Diaz

Enclosure

cc: John M. Callagy (via e-mail)
Richard A. Edlin, Esq. (via e-mail)
Eric N. Whitney, Esq. (via e-mail)
Philip R. Forlenza, Esq. (via e-mail)
Erik Haas, Esq. (via e-mail)
Karla Sanchez, Esq. (via e-mail)

EXHIBIT G

Syncora Guarantee web site



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Syncora Completes Remediation Plan

Claims Payments to Recommence July 21, 2010

NEW YORK, July 20, 2010 /PRNewswire via COMTEX/ –

Syncora Holdings Ltd. ("Syncora") announced today that its wholly owned subsidiary, Syncora Guarantee Inc. ("SGI" or "Syncora Guarantee"), has completed its remediation plan sufficient to meet its minimum statutory policyholder surplus requirements and address previously announced short and medium term liquidity issues. The remediation plan included purchases of certain of SGI's guaranteed exposures, monetization of certain of its illiquid assets, receipt of a partial pre-payment of a surplus note from its wholly owned subsidiary Syncora Capital Assurance Inc. and various other loss remediation and restructuring actions.

Syncora also announced that, as required by a supplemental order issued by the New York Insurance Department (the "NYID") on June 17, 2010, SGI has provided, and the NYID has approved, SGI's plan (the "Plan") for the payment of new claims as they become due in the ordinary course of business and for the payment of claims accrued and unpaid since April 26, 2009 (the date after which SGI was ordered (the "1310 Order") by the NYID to suspend claims payments until it had eliminated its impairment to its statutory capital and returned to compliance with minimum statutory capital).

In accordance with the Plan, SGI will commence making claim payments on regularly scheduled payment dates occurring on or after July 21, 2010. Current claims will be paid in full on their regularly scheduled payment dates as they occur on or after July 21, 2010. Accrued and unpaid claims from and including April 26, 2009 to and including July 20, 2010 will be paid over a six (6) month period as follows: (i) up to twenty percent (20%) of the aggregate outstanding unpaid amount of the accrued claims for a given transaction (measured on July 21, 2010) shall be paid on the first payment date occurring on or after July 21, 2010; and (ii) up to forty percent (40%) of the aggregate outstanding unpaid amount of the accrued claims for a given transaction (measured on July 21, 2010) shall be paid on each succeeding payment date, with the complete payment of these accrued claims expected to be made on or before January 21, 2011. Information with respect to accrued claims payments will be posted from time to time on Syncora's website (www.syncora.com). Bondholders of SGI wrapped RMBS securities may also be able to obtain claims payment information from bond trustee reports. Finally, Syncora also announced that while SGI's loss reserve analysis is still ongoing, it now expects SGI to report statutory surplus as of June 30, 2010 in line with, or in excess of, the \$104.1 million reported as of March 31, 2010. Syncora notes, however, that this is a preliminary estimate and SGI's actual statutory policyholder surplus reported for the second quarter may differ.

About Syncora Holdings Ltd.

Syncora Holdings Ltd. (OTC: SYCRF) is a Bermuda-domiciled holding company. For more information, please visit www.syncora.com.

Investor and Media Contact:

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michael.corbally@scafg.com**FORWARD-LOOKING STATEMENTS**

This release contains statements about future results, plans and events that may constitute "forward looking" statements. The use of terms such as "may," "will," "expects," "projects," and "should" indicate the presence of forward-looking statements. You are cautioned that these statements are not guarantees of future results, plans or events and such statements involve risks and uncertainties that may cause actual results to differ

materially from those set forth in these statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Syncora Guarantee's control. These factors include, but are not limited to: Syncora Guarantee's ability to maintain minimum policyholders' surplus; higher losses and adverse development of reserves on guaranteed obligations due to deterioration in the credit and mortgage markets; the suspension of writing substantially all new business; uncertainty as to the fair value of credit default swap ("CDS") contracts and liabilities thereon; decision by Syncora Guarantee's, Syncora Capital Assurance Inc.'s or Syncora Guarantee (U.K.) Limited's regulators to take regulatory action such as administration, rehabilitation or liquidation of such entity at any time; Syncora Capital Assurance Inc.'s payment of amounts under the surplus notes issued to Syncora Guarantee; Syncora Capital Assurance Inc., a wholly-owned subsidiary of Syncora Guarantee, being required to make mark-to-market termination payments under its CDS contracts; the ability of each of Syncora Guarantee and Syncora to continue as a going concern; payment of claims on guaranteed obligations and residential mortgage backed securities ("RMBS"); bankruptcy events involving counterparties to CDS contracts; the potential loss of certain control rights under certain financial guarantee insurance; non-payment of premium and make-wholes owed or cancellation of policies; effect of the non-payment of dividends on Syncora's series A preference shares on the composition of Syncora's Board of Directors; uncertainty in portfolio modeling which makes it difficult to estimate potential paid claims and loss reserves; reduced availability of funds due to the purchase of certain RMBS and the potential inability to convert those assets to cash at their carrying value; reduced availability of funds due to capitalization of Syncora Capital Assurance Inc.; reduced availability of funds due to consideration paid in connection with the master transaction agreement between Syncora Guarantee and certain financial counterparties to its CDS contracts (the "2009 MTA"); potential adverse developments at Syncora Capital Assurance Inc. and recapture of business to be ceded to Syncora Capital Assurance Inc. under the 2009 MTA; the financial condition of Syncora Guarantee (U.K.) Limited and action by the Financial Services Authority, whether by means of cessation or suspension of amounts owing to Syncora Guarantee or by termination of the reinsurance agreement between Syncora Guarantee and Syncora Guarantee (U.K.) Limited or otherwise; requirement of Syncora Guarantee to provide Syncora Guarantee (U.K.) Limited with sufficient funds to maintain its minimum solvency margin; challenges to the Master Commutation, Release and Restructuring Agreement dated July 28, 2008, as amended, and related commutations and releases and/or the 2009 MTA; defaults by counterparties to reinsurance arrangements; the interconnectedness of risks that affect Syncora Guarantee's and its affiliates' reinsurance and insurance portfolio and financial guarantee products; termination payments related to less traditional products, including CDS contracts, possibly in excess of current resources; nonpayment of premiums by policyholders; changes in accounting policies or practices or the application thereof; changes in officers or key employees; further deterioration in general economic conditions, including as a result of the financial crisis as well as inflation or deflation, interest rates, foreign currency exchange rates and other factors and the effects of disruption or economic contraction due to catastrophic events or terrorist acts; the commencement of new litigation or investigations or the outcome of current and new litigation or investigations; legislative or regulatory developments, including changes in tax laws and regulation of mortgages; losses from fraudulent conduct due to unconditional and irrevocable nature of financial guarantee insurance; problems with the transaction servicers in relation to structured finance transactions; limitations on the availability of net operating loss carry forwards; uncertainty as to federal income tax treatment of CDS contracts; conflicts of interests with significant shareholders of Syncora; limitations on the transferability of the common shares of Syncora and other additional factors, risks or uncertainties described in Syncora's filings with the Securities and Exchange Commission, including in its Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as amended and in the financial statements of Syncora, Syncora Guarantee and Syncora Capital Assurance Inc. posted at <http://www.syncora.com>. Readers are cautioned not to place undue reliance on forward looking statements which speak only as of the date they are made. Syncora does not undertake to update forward-looking statements to reflect the effects of circumstances or events that arise after the date the forward-looking statements are made.

SOURCE Syncora Holdings Ltd.; Syncora Guarantee Inc.

Syncora Holdings Ltd. - Press Release

<http://phx.corporate-ir.net/phoenix.zhtml?c=198015&p=irol-newsArti...>